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REPORT

on the state of transatlantic relations in the aftermath of the US elections
(2008/2199(INI))

Committee on Foreign Affairs

Rapporteur: Francisco José Millán Mon

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE.....	14
OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS.....	18
RESULT OF FINAL VOTE IN COMMITTEE.....	22

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the state of transatlantic relations in the aftermath of the US elections (2008/2199(INI))

The European Parliament,

- having regard to its previous resolutions on transatlantic relations, in particular its two resolutions of 1 June 2006¹ on improving EU-US relations in the framework of a Transatlantic Partnership Agreement and on EU-US transatlantic economic relations, and its resolution of 25 April 2007 on transatlantic relations², as well as the most recent one of 5 June 2008 on the EU-US Summit³,
 - having regard to the Transatlantic Declaration on EU-US Relations of 1990 and the New Transatlantic Agenda (NTA) of 1995,
 - having regard to the outcome of the EU-US Summit held on 10 June 2008 in Brdo,
 - having regard to the joint declarations by the 64th Transatlantic Legislators' Dialogue held in May 2008 in Ljubljana and the 65th Transatlantic Legislators' Dialogue held in December 2008 in Miami,
 - having regard to the conclusions of the European Council of 11 and 12 December 2008,
 - having regard to the Summit Declaration of the North Atlantic Council held in Bucharest on 3 April 2008,
 - having regard to its resolutions on the EU's approach towards, *inter alia*, the Middle East, Afghanistan, Iran and Iraq, on the UN and the Millennium Development Goals (MDGs) and on energy security,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Foreign Affairs and the opinions of the Committee on International Trade and the Committee on Economic and Monetary Affairs (A6-0114/2009),
- A. whereas the inauguration of the new US President opens up a new era in the history of the United States, has been received with great expectations in the world and has the potential to give the transatlantic partnership a new impetus,
- B. whereas the European Union is an increasingly important player on the world stage and whereas, once the Lisbon Treaty with its foreign policy tools comes into effect, the EU

¹OJ C 298 E, 8.12.2006, pp. 226 and 235.

²OJ C 74 E, 20.3.2008, p. 670.

³Texts adopted, P6_TA(2008)0256.

will be able to play a stronger and more coherent role on the international scene,

- C. whereas according to surveys most Europeans support the idea that the EU should assume a more prominent role on the world stage; whereas the majority of Europeans and Americans feel that the EU and the US should address international threats in partnership,
- D. whereas many Europeans expect from the new US administration a cooperative attitude in the international field and a strengthening of the EU-US relationship, based on mutual respect and mutual understanding of the partners' constraints and priorities,
- E. whereas the transatlantic partnership must remain a cornerstone of the external action of the Union,
- F. whereas the transatlantic partnership is founded on shared core values such as democracy, human rights, the rule of law and multilateralism as well as common goals such as open and integrated economies and sustainable development; whereas this foundation remains solid in spite of some differences in the last years,
- G. whereas the EU and the US play key roles in the world's politics and economy, and share responsibility for promoting peace, respect for human rights and stability and for tackling various global dangers and challenges, such as the deep financial crisis, the eradication of poverty and fulfilment of other MDGs, climate change, energy security, terrorism and nuclear proliferation,
- H. whereas in an increasingly global, complex and changing world, it is in the interest of both partners, the EU and the US, to shape the international environment together and to confront in unison common threats and challenges on the basis of international law and multilateral institutions, in particular the UN system, and to invite other partners to cooperate in this effort,
- I. noting the conclusions of the informal meeting of the EU General Affairs Council held on 8 January 2009 concerning the priority areas for transatlantic cooperation during the Czech Presidency (economic and financial cooperation, energy security, preparation of the UN Conference on climate change and reinforced dialogue on the Middle East, Afghanistan and Iran),
- J. whereas it is necessary to involve emerging players in responsibility for the world order, because, as the then presidential candidate Barack Obama said in Berlin in July 2008, "no one nation, no matter how large or powerful", can defeat global challenges alone,
- K. whereas, given the importance of their relationship and their responsibility for the international order, and given the changes that both partners and the world are undergoing, it is necessary that their partnership be founded on a solid and updated basis such as a new partnership agreement,
- L. whereas the transatlantic partnership and NATO are indispensable for collective security,

- M. whereas the work of the Transatlantic Economic Council (TEC) needs to continue towards the goal of a genuine, integrated transatlantic market; whereas joint leadership is needed to conduct a decisive reform of the international economic institutions in the current crisis,
- N. whereas the gross domestic product of the EU and the US represents more than half of the global GDP; whereas both partners have the world's largest bilateral trade and investment partnership, with, according to the Commission, almost 14 million jobs in the EU and US dependent on transatlantic commercial and investment ties,

Bilateral institutional issues

1. Congratulates Barack Obama on his election as President of the United States of America; recalls his emphatic commitment to the transatlantic partnership made in his Berlin speech in July 2008, in which he said that "America has no better partner than Europe" and added that now was the time to join together to meet the challenges of the 21st century; reiterates its invitation to President Obama to address the European Parliament in plenary during his first official visit to Europe;
2. Calls on the Council, the EU Member States and the Commission to enhance the coordination and coherence of the EU's policy vis-à-vis the new US administration;
3. Is convinced that the EU-US relationship is the most important strategic partnership for the EU; believes that EU-US coordinated action on tackling global challenges while respecting international law and strengthening multilateralism is of fundamental importance for the international community; urges the Czech Presidency of the Council and the Commission to establish with the new US administration a common agenda of short and long-term goals with regard to both bilateral matters and global and regional issues and conflicts;
4. Underlines that the current momentum should also be used to improve and renew the framework of the transatlantic relationship; insists on the need to replace the existing NTA of 1995 with a new Transatlantic Partnership Agreement, providing a more stable and a more up-to-date basis for the relationship;
5. Deems it appropriate for the negotiation of the new agreement to commence once the Lisbon Treaty comes into force, so that it may be completed before 2012;
6. Is convinced that the TEC, as the body responsible for enhancing economic integration and regulatory cooperation, should be included in the new agreement; welcomes the fact that the TEC is advised by a range of stakeholders, including representatives of business, and asks that a comparable role be given to representatives of the trade union movement on each side of the Atlantic;
7. Recommends that the EU-US summits take place twice a year, in order to provide the partnership with strategic direction and impetus, and that they proceed to exercise adequate oversight regarding implementation of the objectives previously identified;

8. Is of the view that the new agreement should establish a body for systematic high-level consultation and coordination in respect of foreign and security policy; recommends that this body be chaired by the High Representative/Vice-President of the Commission on the EU side and by the Secretary of State on the US side, and that it meet at least every three months, without prejudice to informal contacts; suggests that this mechanism could be called the Transatlantic Political Council (TPC);
9. Reaffirms that the new agreement should upgrade the current Transatlantic Legislators' Dialogue (TLD) into a transatlantic assembly, serving as a forum for parliamentary dialogue, identification of objectives and joint scrutiny of the implementation of the agreement, and for coordination of the work of both the European Parliament and the US Congress on issues of common concern, including close cooperation of committees and rapporteurs from both sides; considers that this assembly should meet in plenary twice a year and be comprised on an equal basis of both Members of the European Parliament and Members of both Houses of the US Congress; is of the view that the assembly could establish working groups to prepare the plenary meetings; reiterates that a reciprocal legislative early-warning system should be created within this assembly; believes that a steering committee should be responsible for enhancing cooperation between the legislative committees and rapporteurs of the European Parliament and the US Congress on legislation which is relevant with regard to further integration of the transatlantic market and in particular to the work of the TEC;
10. Considers that the transatlantic assembly should be kept informed by the TEC and the TPC about their activities, including the right to conduct hearings with representatives of those Councils, and that it should be able to make proposals to both Councils and to the EU-US summits; requests that, besides strengthening the role of parliamentarians within the TEC, both co-chairs of the assembly be invited to participate in the opening session of meetings of both Councils and of the EU-US summits;
11. Invites the European Parliament and the US Congress to reflect on the possibility of setting up a US Congress liaison office in Brussels;
12. Invites Parliament's Secretary-General to proceed as a matter of the utmost urgency with the implementation of the Bureau's decision of 11 December 2006 on the deployment of an official to Washington as Liaison Officer;
13. Insists on the advantages of a joint programme of staff exchanges and invites Parliament's Secretary-General to examine with the clerks of the US House of Representatives and the Senate the feasibility of a joint memorandum on staff exchanges similar to that agreed between Parliament and the UN Secretariat;
14. Underlines that the transatlantic partnership must be backed up by a deep understanding and closer ties between the parties' civil societies; insists on the need to increase exchanges among students, academics and other civil society actors from both sides so as to ensure that present and future generations gain mutual understanding and remain committed to this partnership; considers that back-up support for this initiative should be provided from the 2010 EU budget and from the relevant US institutions' budgets so as to ensure its effective development;

15. Warmly welcomes the growing presence of organisations of American parentage in Brussels and in particular their commitment to the European Union, its institutions and a strengthened EU-US partnership; stresses that European organisations need to give a similar commitment to operate in Washington DC in order to raise the profile of the EU and that of European perspectives on transatlantic and global issues in the US political community; is aware that European institutions are often unable to match the resources available to their American counterparts; therefore suggests that funding be made available and prioritised for projects organised by European organisations which are aimed at enhancing the awareness and understanding of European issues and perspectives in the United States;
16. Calls on the EU and the US to strengthen their cooperation in the field of culture, and to continue to foster and promote the mutual benefits resulting from cultural exchanges;
17. Stresses the importance of closer cooperation in space programmes, in particular between the ESA (European Space Agency) and NASA;

Global challenges

18. Urges both partners to engage in effective multilateralism, involving emerging players in a spirit of shared responsibility for the global order, respect for international law and common problems; insists that the EU and the US increase their efforts to accomplish the UN Reform Agenda, including the reform of the UN Security Council and of other multilateral fora within the global architecture;
19. Calls on both partners to promote respect for human rights in the world as a key element of their policy; underlines the need for intensive coordination in preventive and crisis diplomacy, as well as in responding in a coordinated and efficient way to pandemics and humanitarian emergencies; calls on the new US administration to ratify and accede to the Rome Statute of the International Criminal Court; repeats its appeal for the abolition of the death penalty;
20. Calls on both partners to contribute decisively to the achievement of the MDGs, particularly in Africa, which must not be placed in jeopardy by the economic crisis, and to study possibilities for coordinated action in those areas; calls on both partners to honour their commitment to spend 0.7% of their GDP on development cooperation;
21. Calls on both partners to jointly lead the multilateral efforts, launched at the Washington Conference on 15 November 2008, to resolve the current financial and economic crisis and to reform the international financial system, the World Bank and the IMF, involving the emerging powers, while resisting protectionism and promoting a successful conclusion of the WTO Doha round;
22. Welcomes the strong commitment of the new US President to tackling climate change; urges the EU and the US to take the lead and to reach an ambitious post-2012 agreement at the Copenhagen Conference to be held in 2009, engaging all relevant gas-emitting countries and committing them to binding mid- and long-term targets;

23. Calls for closer cooperation between the EU and the US in the field of energy; urges that efficient coordination of their approaches towards the producing countries and strengthening diversity in supply, resources and transportation be regarded as a priority; advocates closer scientific and technological cooperation on energy and energy efficiency;
24. Draws attention to the National Intelligence Council (NIC) report entitled "Global Trends 2025: A Transformed World", and, given the need for long-term strategic thinking on policy issues within the EU institutions, urges the Czech and Swedish Presidencies to strive to establish a system of analysis similar to that used by the NIC, in order to identify long-term trends from an EU perspective, working in close cooperation with the EU Institute for Security Studies (EUISS); is convinced that this step will facilitate dialogue on the main strategic issues faced by the transatlantic partnership in the long term;

Regional issues

25. Underlines that a peaceful and just settlement of the Middle East conflict is vital, and welcomes the fact that it will represent one of the most urgent priorities of the new US administration; asks the US administration to coordinate closely with the EU and engage in the Quartet; welcomes the early appointment of a US special envoy for the Middle East in the person of the former Senator George Mitchell; emphasises that both partners should strive for intensification of the negotiations based on the road map and the Annapolis Conference achievements, with the objective of a two-state solution; urges both partners to work closely together in order to help make the current fragile ceasefire in Gaza solid and durable, while involving the regional actors and contributing to the achievement of the goals of UN Security Council Resolution 1860, such as an immediate humanitarian relief for the population of Gaza and the assurance that illicit trafficking in arms and ammunition is prevented and the blockade of Gaza is lifted; calls on the transatlantic partners to support efforts for inter-Palestinian reconciliation, and points out the importance of improving the living conditions of Palestinians in both the West Bank and Gaza, including the reconstruction of Gaza;
26. Urges the EU and the US to work together in renewing strategies to promote efforts to strengthen respect for human rights and democracy in the Middle East, based on their economic and soft power in the region;
27. Underlines that the values, security and credibility of the transatlantic community are at stake in Afghanistan; urges the EU, the US, NATO and the UN to come up with a new joint strategic concept which comprehensively integrates the components of the international engagement, in order to increase security in all regions, strengthen the Afghan governmental and local institutions and aid nation-building and prosperity in close cooperation with neighbouring states; considers that the final goal must be a gradual handover of responsibility for security and stability into the hands of the Afghan authorities; recalls UN Security Council resolution 1833 (2008), which encourages all Afghan parties and groups to engage constructively in political dialogue and to avoid resorting to violence;

28. Calls on the EU and the US to develop a joint strategy towards Pakistan, aimed at strengthening its democratic institutions, the rule of law and its ability to fight terrorism, while encouraging Pakistan's involvement in responsibility for stability in the region, including the security of the Afghan border, and full governmental control of Pakistan's border provinces and tribal areas; welcomes the nomination of Richard Holbrooke as a single special envoy for the Pakistan-Afghan region;
29. Underlines that the Iranian nuclear programme endangers the non-proliferation system and stability in the region and the world; supports the objective, pursued jointly by both partners, of finding a negotiated solution with Iran, following the dual strategy of dialogue and sanctions, in coordination with other members of the Security Council and the International Atomic Energy Agency; considers that any initiatives that one of the partners may launch concerning Iran must be closely coordinated between them in a spirit of trust and transparency; calls on the transatlantic partners to define as soon as possible a common approach towards Iran, without waiting until the issue needs to be confronted as a matter of urgency;
30. Welcomes the ratification of the US-Iraqi agreement on the presence in Iraq of US military forces; underlines the readiness of the EU to continue helping with the reconstruction of Iraq, in particular focusing on the rule of law, respect for human rights and consolidation of the state institutions and support for the economic development of Iraq and its reintegration into the world economy; calls on the partners to continue, by means of coordinated efforts, to work with the Iraqi government and the UN in order to improve stability and national reconciliation and to contribute to the unity and independence of Iraq;
31. Urges both parties to closely coordinate their policies towards Russia; conscious of Russia's relevance as a neighbouring country, of its interdependence with the EU and of its role as a major player on the regional and global level, emphasises the importance of building up with Russia constructive cooperation on challenges, threats and opportunities of mutual concern, including security matters, disarmament and non-proliferation, while respecting democratic principles, human rights standards and international law; underlines in this regard the need to enhance mutual trust between the transatlantic partners and Russia and to intensify the cooperation within the NATO-Russia Council; calls on both transatlantic partners to closely coordinate their approach towards any reform of the European security architecture, while observing the OSCE principles and maintaining the coherence of NATO; considers that developments in this architecture, which also involves international arrangements such as the Treaty on Conventional Forces in Europe, need to be addressed in dialogue with Russia and also other non-EU OSCE member countries;
32. Welcomes the recent statements by US Vice-President Joe Biden at the European Security Conference in Munich indicating that the US will continue the consultations with its NATO allies and Russia on the US missile defence system and adding that the new administration would consider the costs and efficiency of the system; notes some signals from Russia that it would suspend the plans to station short-range Iskander missiles in Kaliningrad;

33. Calls on the EU and US to develop a common strategy concerning the six eastern European countries (Moldova, Ukraine, Georgia, Armenia, Azerbaijan and Belarus), encompassed by the European Neighbourhood Policy, in order to achieve substantial and lasting results in the implementation of the new Eastern Partnership and Black Sea Synergy;
34. Urges both partners to pay special attention to Latin America and its regional organisations in particular, coordinating efforts to promote the consolidation of democracy, respect for human rights, good governance, the fight against poverty, the strengthening of social cohesion, market economies, the rule of law including the fight against organised crime and drug trafficking, and supporting regional integration as well as cooperation in respect of climate change;
35. Recommends also the promotion of a common approach to other major geopolitical players such as China, India or Japan, as well as to the various crises and problems in sub-Saharan Africa;

Defence, arms control and security matters

36. Underlines the importance of NATO as the cornerstone of transatlantic security; welcomes the decision by the European Council in December 2008 to strengthen the strategic partnership between the EU and NATO, and calls on both partners to accelerate the creation of an EU-NATO high-level group in order to improve cooperation between the two organisations; suggests that discussions be held on the value of a Euro-Atlantic Security Strategy that could define common security concerns and interests;
37. Emphasises the growing importance of the European Security and Defence Policy and the need to continue improving the civilian and military capabilities of Europe; welcomes the recognition by the Bucharest NATO summit held in April 2008 of the value of an enhanced European defence capability for the strengthening of transatlantic security;
38. Invites the EU and the US to adopt a common strategy in all international fora, in particular the UN, on disarmament of weapons of mass destruction and conventional weaponry; urges the new US administration to re-engage with Russia in the area of arms control and disarmament, extending the two countries' current bilateral agreements; stresses the need for closer cooperation in order to ensure progress in the run-up to the NPT Review Conference in 2010, welcomes the commitment of the new US President to ratification of the Comprehensive Nuclear-Test-Ban Treaty;
39. Underlines the importance of strengthening transatlantic cooperation in the fight against terrorism on the basis of full respect for international law and human rights, and of supporting the role of the UN in combating this threat; points out the need to cooperate closely when the lives of hostages are at risk;
40. Welcomes the decision of US President Barack Obama to close the detention facility at Guantánamo Bay, as well as other related executive orders concerning lawful interrogations and CIA detention facilities, and encourages the US administration to close down any detention centres outside the United States which are not in accordance with

international law, and to put an end explicitly to the policy of extraordinary rendition; calls on the Member States, should the US administration so request, to cooperate in finding, on a case-by case basis, solutions to the issue of accepting some of the Guantánamo inmates in the EU while respecting the duty of loyal cooperation to consult each other regarding possible effects on public security throughout the EU;

41. Stresses the importance of the prompt entry into force of the EU-US Extradition and Legal Assistance Agreement, and urges those Member States that have not yet ratified it to do so as soon as possible;
42. Underlines that the sharing of data and information is a valuable tool in the international fight against terrorism and transnational crime, but stresses that this must take place within a proper legal framework, ensuring adequate protection of civil liberties, including the right to privacy, and that it should be based on a binding international agreement, as agreed at the 2008 EU-US Summit;
43. Welcomes the recent extension of the visa waiver programme to another seven EU Member States; however, urges the US to lift the visa regime for the remaining five Member States and to treat all EU citizens equally and on the basis of full reciprocity; asks the Commission to treat this as a priority matter with the new US administration;
44. Is of the view that close EU-US cooperation in the area of justice and home affairs is also necessary in order to gradually build a transatlantic area of freedom, security and justice;

Economic and commercial issues

45. Urges the partners to use the full potential of the TEC in order to overcome the existing obstacles to economic integration and to achieve a unified transatlantic market by 2015; requests the European Commission, on the basis of the study authorised and financed by the European Parliament in its 2007 Budget, to draw up a detailed road map of existing obstacles which need to be removed with the aim of meeting that target date;
46. Underlines the importance of using the TEC also as a framework for macro-economic cooperation between both partners, and encourages the competent monetary institutions to strengthen their coordination;
47. Welcomes the progress that has been made over recent months in promoting transatlantic economic integration; considers, in particular, that in areas such as investment, accounting standards, regulatory issues, the safety of imported products and the enforcement of intellectual property rights, improved cooperation has already resulted in significant progress and must be continued;
48. Believes, at the same time, that transatlantic economic cooperation must be made more accountable, transparent and predictable; schedules of meetings, agendas, roadmaps and progress reports must be agreed upon between the core stakeholders as early as possible and then should be published on a website;

49. Takes the view that there is great potential for the United States and the European Union to adopt joint positions and initiatives in international forums, in view of the many trade interests that they have in common, for example non-discriminatory access to raw materials on the global market, the implementation of intellectual property rights and global patent harmonisation; suggests that it is in both parties' interests to better exploit this potential;
50. Was concerned about the new trade-inhibiting US stimulus Bill, notes that it has been amended to comply with WTO rules and insists on the absolute need for a mutual response to the current crisis rather than the adoption of measures to seal ourselves off from one another;
51. Advocates gradually integrating the financial markets through mutual recognition combined with a degree of convergence of the current regulatory frameworks and through the establishment of occasional exemptions whenever possible; recalls that the basic principles for successful integration are free access to markets, regulations that conform to international standards, uniform application of those regulations and an ongoing dialogue with market stakeholders; calls on the EU and the US authorities to avoid setting up barriers to inward investment and enacting legislation having an extra-territorial impact without prior consultation and agreement;
52. Supports the removal of barriers that hinder investment and transatlantic financial services, and favours improving the integration of EU and US markets so that they compete better with emerging markets, subject to the establishment of a satisfactory framework of prudential rules to prevent a crisis on one side of the Atlantic affecting the other;
53. Points out that the integration of financial services markets without a parallel review of the regulatory framework and supervisory standards would make it harder for the authorities to exercise effective supervision; therefore advocates the adoption of regulations that guarantee competition, ensure increased transparency and effective supervision of products, financial institutions and markets, and create common risk management models, in line with agreements reached at the G20 Summit in November 2008;
54. Acknowledges that the US supervisory authorities have made progress in implementing the Basel II agreements with regard to large banks, but criticises the discrepancies that remain to be corrected as they impose additional burdens on American subsidiaries of European banks, thereby reducing their competitiveness, and notes that there are still some issues (financial holdings and small banks) that need to be cleared up as soon as possible; encourages the US Congress, therefore, to consider a more coherent supervisory structure in the banking and insurance sectors so as to facilitate EU-US coordination;
55. Calls for greater cooperation between the supervisory bodies in supervising the activities of cross-border financial institutions and preventing action by financial institutions domiciled in jurisdictions that are uncooperative and less than transparent, and calls for the abolition of tax havens;
56. Urges the EU and US authorities to regulate credit rating agencies in accordance with

jointly held principles and methods so as to restore confidence in ratings and place them on a sound footing; points out however that the EU needs to develop its own regulatory framework as the extra-territorial application of US Securities and Exchange Commission standards to US agencies operating in the European market would not be acceptable;

57. Agrees with the Commission that credit originator institutions should be obliged to retain a fraction of the credit issued in order to force them to accept their share of the risks transferred; calls for this issue to be raised in the transatlantic dialogue in order to preserve equal conditions at international level and limit systemic risks on the world financial markets; considers that a code of conduct should be agreed upon for sovereign wealth funds;
58. Calls on the new Congress to modify the US regulation so as to provide for the scanning of 100% of inbound cargo and urges it to work closely with the EU to ensure the implementation of a multi-layered approach based on actual risk; notes that secure trade is particularly important in an ever more integrated global economy, but considers that this blunt measure represents a potential new trade barrier, imposing significant costs on economic operators, which will not bring any benefit in terms of supply chain security;
59. Believes that the TEC could usefully organise seminars on the 100% scanning issue in Brussels and Washington in order to foster a deeper understanding between EU and US legislators and to promote an early and mutually acceptable resolution of this problem;
60. Recommends that the next TEC meeting should discuss whether it would be helpful to integrate more technical topics into the scope of the TEC and whether greater cooperation between the EU and the US is essential in order to achieve a workable cap-and-trade-emission system; recommends that existing common international benchmarks for energy-intensive industries should be developed or integrated into the TEC process;

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61. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the President and Congress of the United States of America.

3.2.2009

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Foreign Affairs

on the state of Transatlantic Relations in the aftermath of the US elections
(2008/2199(INI))

Rapporteur: Godelieve Quisthoudt-Rowohl

SUGGESTIONS

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Is convinced that the Transatlantic Economic Council (TEC) could become the most appropriate mechanism for managing the transatlantic economic relationship and stresses the need for it to continue, develop and be strengthened so as to achieve the goal of a transatlantic market following the change of administration in the United States in January 2009 and the appointment of a new European Commission later in the year;
2. Believes that the Transatlantic Legislators' Dialogue (TLD) between the European Parliament and the US Congress has already made a significant contribution towards greater mutual understanding on many matters of common concern, including those linked to economic relations and international trade; considers, in this context, that the recent Congressional elections alongside the forthcoming elections to the European Parliament should provide an impetus to further enhance and deepen this relationship;
3. Recognises and applauds the existing arrangements that allow stakeholders to provide an input into the TEC in an advisory capacity, but emphasises that a more formal role must be envisaged for EU and US legislators who share with their respective executive branches the responsibility for the enactment of many of the decisions that need to be taken; welcomes, in this regard, the recent initiative to widen the TLD to include members of the US Senate and the positive reaction by both EC and US representatives at the December TEC meeting in Washington to calls for greater integration of a strengthened TLD into the TEC process;
5. Takes the view that there is great potential for the United States and the European Union to adopt joint positions and initiatives in international forums, in view of the many

common trade interests, for example non-discriminatory access to raw materials on the global market, the implementation of intellectual property rights (IPR) and global patent harmonisation; suggests that it is in both parties' interests to better exploit this potential;

6. Welcomes the progress that has been made over recent months in promoting transatlantic economic integration; considers, in particular, that in areas such as investment, accounting standards, regulatory issues, the safety of imported products and IPR enforcement, improved cooperation has already resulted in significant progress and must be continued; believes that work related to sensitive areas of trade such as, for example, cosmetics and poultry, must be the subject of early and ongoing discussions between the executive and legislative branches;
7. Recalls that the European Union and the United States should bring forward their common interests in trade on a multilateral level if possible; believes that common trade and political concerns beyond this, in the form of bilateral interests, respect third countries' right to have their own regulations;
8. Calls on the new Congress to modify the US regulation to scan 100% of inbound cargo and urges it to work closely with the EU to ensure the implementation of a multi-layered approach based on actual risk; notes that secure trade is particularly important in an ever more integrated global economy, but considers that this blunt measure represents a potential new trade barrier, imposing significant costs on economic operators, which will not bring any benefit in terms of supply chain security;
9. Believes that the TEC could usefully organise seminars on the 100% scanning issue in Brussels and Washington in order to foster a deeper understanding between EU and US legislators and to promote an early and mutually acceptable resolution of this problem;
10. Takes the view that the new Parliament and the US Congress should undertake a review of bilateral trade negotiations with the aim of achieving greater alignment in substantial parts;
11. Notes the positive effects of the free trade agreement between the European Union and Mexico. Trade has increased by 25 percent since the agreement came into force and extensive liberalisation has been undertaken by both parties. Also notes the mutual interest of Canada and the EU in a free trade agreement and therefore encourages the Commission and the new US Administration to begin negotiations in earnest to enable a free trade agreement between the European Union and NAFTA;
12. Recommends that the next TEC meeting should discuss whether it would be helpful to integrate more technical topics into the TEC environment and whether greater cooperation between the EU and the US is essential in order to achieve a workable cap-and-trade-emission system; recommends that existing common international benchmarks for energy-intensive industries should be developed or integrated into the TEC process;
13. Considers that the TLD, at its next meeting in April 2009 in Prague, should evaluate the work of the TEC and work out a method of strengthening the involvement of the TLD in the TEC process;

14. Is concerned about the new trade-inhibiting US Bill on the "819-billion-dollar stimulus"; notes that extracts of the Bill do not appear to be in accordance with WTO rules and insists on the absolute necessity of a mutual response to the current crisis rather than taking measures to seal ourselves off from one another.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.2.2009
Result of final vote	+: 19 -: 2 0: 7
Members present for the final vote	Francisco Assis, Christofer Fjellner, Glyn Ford, Béla Glattfelder, Ğirts Valdis Kristovskis, Alain Lipietz, Marusya Ivanova Lyubcheva, Erika Mann, David Martin, Vural Öger, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Tokia Saïfï, Peter Šťastný, Gianluca Susta, Corien Wortmann-Kool
Substitute(s) present for the final vote	Jean-Pierre Audy, Javier Moreno Sánchez, Frithjof Schmidt, Hannu Takkula, Zbigniew Zaleski
Substitute(s) under Rule 178(2) present for the final vote	Richard Corbett, Roselyne Lefrançois, Véronique Mathieu, Zita Pleštinská, Paul Rübig, Struan Stevenson, Anna Záborská

5.2.2009

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Foreign Affairs

on the state of transatlantic relations in the aftermath of the US elections
(2008/2199(INI))

Rapporteur: José Manuel García-Margallo y Marfil

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the transatlantic market is the largest and most integrated economic area in the world but is no longer the most dynamic, and therefore calls for the strategic partnership between the EU and the USA to be strengthened in order to improve competitiveness and remove obstacles to trade and investment, in line with agreements in the Framework for Advancing Transatlantic Economic Integration;
2. Notes also that global macroeconomic imbalances bear some of the blame for the current financial crisis, for which reason holding monetary talks, before and after the annual EU-US Summits, between the Commission, the competent authorities of the US and the committees on economic affairs in Parliament and the US Congress would be advisable;
3. Notes that the financial crisis has demonstrated the close relationship between EU and US financial markets, namely the falsity of the 'decoupling' thesis, and advocates a strengthened dialogue between the authorities, and a review of the regulatory and supervisory frameworks;
4. Advocates gradually integrating the markets through mutual recognition combined with a degree of convergence of the current regulatory frameworks and through the establishment of occasional exemptions whenever possible; recalls that the basic principles for successful integration are free access to markets, regulations that conform to international standards, uniform application of those regulations, and an ongoing dialogue with market stakeholders; calls on the EU and the US authorities to avoid barriers to inward investment and legislation of extra-territorial impact without prior consultation and agreement;

5. Supports removing barriers that hinder investment and transatlantic financial services, and favours improving the integration of EU and US markets so that they compete better with emerging markets, subject to the establishment of a satisfactory framework of prudential rules to prevent a crisis on one side of the Atlantic affecting the other;
6. Points out that the integration of financial services markets without a parallel review of the regulatory framework and supervisory standards would make it harder for the authorities to exercise effective supervision; therefore advocates the adoption of regulations that guarantee competition, ensure increased transparency and effective supervision of products, financial institutions and markets, and create common risk management models, in line with agreements reached at the G20 Summit in November 2008;
7. Acknowledges that the US supervisory authorities have made progress in implementing the Basel II agreements in regard to large banks, but criticises the discrepancies that remain to be corrected as they impose additional burdens on American subsidiaries of European banks, thereby reducing their competitiveness, and notes that there are still some points (financial holdings and small banks) that need to be cleared up as soon as possible; encourages the US Congress, therefore, to consider a more coherent supervisory structure in the banking and insurance sectors so as to provide an easier means of EU-US coordination;
8. Calls for greater cooperation between the supervisory bodies in supervising the activities of cross-border financial institutions and preventing action by financial institutions domiciled in jurisdictions that are uncooperative and less than transparent, and calls for the abolition of tax havens;
9. Points out that if accounting standards were converged, investors would receive better information and supervision would be facilitated, more is required and this crisis should not act as an excuse for the US to delay the full adoption in the medium term of the International Financial Reporting Standards (IFRS);
10. Urges the EU and US authorities to regulate credit rating agencies in accordance with jointly held principles and methods so as to restore confidence in ratings and place them on a sound footing; points out however that the EU needs to develop its own regulatory framework as the extra-territorial application of US Securities and Exchange Commission standards to US agencies operating in the European market would not be acceptable;
11. Agrees with the Commission that credit originator institutions should be obliged to retain a fraction of the credit issued in order to force them to accept their share of the risks transferred; calls for this issue to be raised in the transatlantic dialogue in order to preserve equal conditions at international level and limit systemic risks on the world financial markets; considers that a Code of Conduct should be agreed upon for sovereign wealth funds;
12. Calls for the creation of early warning mechanisms and of crisis committees, on which the relevant EU and US authorities should sit, in order to adopt the necessary emergency measures in due time and form; stresses the need, as regards the suggestions for transatlantic convergence in the issues raised in this resolution, for a framework for

negotiations to be established under which the reoccurrence of factors such as those that have led to the current economic situation, in which a US crisis is dragging down the EU's economy, would be avoided;

13. Calls for joint discussions on reforms at the International Monetary Fund and the World Bank in order to present joint proposals in the various forums where these reforms are being discussed, so as to provide an effective mechanism for global financial surveillance and solidarity in time of crisis;
14. Considers that a joint EU-US framework for action in the field of investments in new, clean technologies should be defined, because such a strategy would not only tackle the problem of climate change, but would also create new jobs.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.2.2009
Result of final vote	+: 32 -: 0 0: 0
Members present for the final vote	Paolo Bartolozzi, Zsolt László Becsey, Pervenche Berès, Udo Bullmann, Jonathan Evans, Elisa Ferreira, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Robert Goebbels, Louis Grech, Benoît Hamon, Gunnar Hökmark, Karsten Friedrich Hoppenstedt, Othmar Karas, Wolf Klinz, Andrea Losco, Astrid Lulling, Hans-Peter Martin, Gay Mitchell, Sirpa Pietikäinen, Heide Rühle, Eoin Ryan, Antolín Sánchez Presedo, Olle Schmidt, Peter Skinner, Margarita Starkevičiūtė, Ieke van den Burg
Substitute(s) present for the final vote	Werner Langen, Thomas Mann, Bilyana Ilieva Raeva, Margaritis Schinas, Eva-Riitta Siitonen

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	24.2.2009
Result of final vote	+: 44 -: 1 0: 1
Members present for the final vote	Vittorio Agnoletto, Angelika Beer, Bastiaan Belder, Elmar Brok, Marco Cappato, Philip Claeys, Maciej Marian Giertych, Ana Maria Gomes, Klaus Hänsch, Anna Ibrisagic, Maria Eleni Koppa, Vytautas Landsbergis, Francisco José Millán Mon, Pasqualina Napoletano, Janusz Onyszkiewicz, Justas Vincas Paleckis, Ioan Mircea Paşcu, João de Deus Pinheiro, Hubert Pirker, Pierre Pribetich, Flaviu Călin Rus, José Ignacio Salafranca Sánchez-Neyra, Jacek Saryusz-Wolski, György Schöpflin, István Szent-Iványi, Charles Tannock, Geoffrey Van Orden, Andrzej Wielowieyski, Luis Yañez-Barnuevo García, Zbigniew Zaleski
Substitute(s) present for the final vote	Maria Badia i Cutchet, Andrew Duff, James Elles, Pierre Jonckheer, Evgeni Kirilov, Alexandru Nazare, Antolín Sánchez Presedo, Adrian Severin, Jean Spautz
Substitute(s) under Rule 178(2) present for the final vote	Carlos Coelho, Pilar del Castillo Vera, Cristina Gutiérrez-Cortines, Manolis Mavrommatis, José Javier Pomés Ruiz, José Ribeiro e Castro, Ewa Tomaszewska