



# The Future of EU-US Relations: Towards a Renewed Transatlantic Partnership

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## **Abstract:**

The policy paper is the result of a months-long Renew Europe internal process that was informed by and benefitted from conversations with various external stakeholders, such as the Group's webinar "After the elections. The future of EU-US relations", organised on 30 November 2020.

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**renew europe.**

## About Renew Europe Group

The Renew Europe Group is a coalition of progressives, liberals, democrats and reformists, that make up the largest centrist group in the history of the European Parliament. Brought to you from the European Liberal Forum, this new reference series aims to disseminate Renew Europe Group positions to the wider liberal family, policymakers and industry stakeholders, civil society and the general public. While, at the same time, the position papers will raise awareness on a number of issues and policy sectors, from sustainability and climate change, to democracy and the rule of law, human rights and fair competition.

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## About ELF

The European Liberal Forum (ELF) is the official political foundation of the European Liberal Party, the ALDE Party. Together with 47 member organisations, we work all over Europe to bring new ideas into the political debate, to provide a platform for discussion, and to empower citizens to make their voices heard. Our work is guided by liberal ideals and a belief in the principle of freedom. We stand for a future-oriented Europe that offers opportunities for every citizen. ELF is engaged on all political levels, from the local to the European. We bring together a diverse network of national foundations, think tanks and other experts. In this role, our forum serves as a space for an open and informed exchange of views between a wide range of different EU stakeholders.

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# State of play

The Transatlantic partnership is strong, deep and central to the rules-based world order but, in an international climate marked by growing great power competition, the alliance is facing serious challenges and both partners must adapt to a new era.

While over the last years cooperation between the EU and the US has advanced in many areas, the number of disagreements on several dossiers (tariffs, digital taxation, the Paris Agreement, the Iran nuclear deal, the use of extraterritorial sanctions, the Middle East peace process, defence spending, withdrawal from UNESCO and WHO, ending all funding to UNRWA, support for hard Brexit) has increased significantly. During the Trump administration, the United States became a less predictable ally, disengaging at times from multilateral cooperation and focusing increasingly on China and the Asia-Pacific.

In this context, we welcome the positions of the Biden transition team to re-join the Paris Agreement, the World Health Organization, the Iran nuclear deal (JCPOA) and to extend the Strategic Arms Reduction Treaty (New START).

We condemned the storming of the US Capital, the incitement of President Donald Trump and expressed our full support to then President-Elect Joe Biden, while reaffirming our trust in the democratic process, institutions and citizens of the United States. We look forward to working with the next US administration to promote liberal democracy globally. In this sense, we welcome President Biden's proposal to organise and host a 'global Summit for Democracy to renew the spirit and shared purpose of the nations of the free world', intended to bring together the world's democracies to strengthen our democratic institutions, honestly confront nations that are backsliding, and forge a common agenda. We remain committed to our Transatlantic Legislators' Dialogue, with a view to fostering an ongoing and uninterrupted dialogue between the European Parliament and the US Congress.

This would be welcomed, as in recent years, the EU dealt for the first time in its history with a US presidential administration that undermined EU integration and often rejected multilateralism and the post-war international system that the United States and Europe have built. EU-US relations have significantly changed over the last years and cooperation has become more transactional. These developments have led to increasing lack of trust and to the deterioration of the transatlantic partnership, which is currently at a low point.

Despite the current state of the Atlantic partnership, we should simultaneously acknowledge the strong and deep bond between Europe and the US. By contributing decisively to the liberation of Europe in WW2, the resurrection of the European economy through the Marshall plan and providing the vital safety umbrella up until this very moment, the EU should never forget the US's proven dedication to the alliance. Therefore, the EU will always seek ways to maintain and improve cooperation with the US, certainly given the future multipolar world order.

NATO is the cornerstone of Europe's security for most EU member states. The US will remain our main security partner. Still, the EU cannot only rely on the US for addressing its security challenges. It is time for the EU to step up its efforts to reach a strategic autonomy, to considerably strengthen its capacity and to defend its values and interests at global level together with its US partner.

Cooperation should advance on topics such as China, Russia, technology including 5G, arms control, trade, nuclear disarmament, taxation including digital, climate change, energy security, the fight against disinformation, multilateralism and counterterrorism. The EU would need to compartmentalise its cooperation and to use a more transactional and 'pragmatic' approach with Washington. We should also look forward to engaging and working more with the US Congress and US states as avenues to further advancing transatlantic relations and cooperation.

The Biden administration should allow for a change in tone between the two transatlantic partners and for more cooperation on multilateral issues such as climate change, digital and green transition. We also expect a clearer US commitment to NATO. At the same time, we should remain realistic as some likely US policies (e.g. on trade, protectionism, China, domestic investment, defence spending etc.) might not be very different from the ones of the current administration. In that sense, the Trump administration's policies might not be so much of an aberration from traditional US foreign policy as an indication of wider societal changes in the US, indicating a partial retreat from multilateralism and a stronger emphasis on isolationism and protectionism.

The EU should be ready to carry out additional responsibilities in its neighbourhoods and should count on continuous support from the US in carrying its stabilisation efforts.

Following the death of George Floyd, the European Parliament's large majority voted in favour of a resolution that in 2020, for the first time, addressed structural racism in both continents.

# The way ahead

In a more competitive and unstable global context, the European Union cannot continue to outsource its foreign and security policy. The Union needs to become a more capable and more consequential foreign policy and security actor and has to develop a more mature relationship with the US, one less defined by dependence and more by an actual strategic dialogue. We call on the EU institutions and on the Member States to immediately engage and develop this endeavour, which will necessitate an assertive EU foreign policy. Among others, this will imply a more common European threat assessment and awareness, a more common, holistic strategic culture but also an upgrade of the EU foreign policy decision-making system through the use of qualified majority voting, at least in some foreign policy decisions.

EU institutions and Member States must also adapt to a new mind-set related to Washington, and increasingly start to see their engagements as traditional foreign policy. The level of cooperation between EU and US is such that this has not always been the case. However, US interlocutors have for years been successful in linking various issues and the EU must develop an institutional capacity to do the same.

Equally, the future transatlantic alliance must be able to better cope with friendly disagreements and frank exchanges. Global challenges and developments will increasingly expose situations and issues of conflict and divergence. On both sides of the Atlantic, we must learn to occasionally withstand serious policy divergences while maintaining close cooperation in other areas.

The European Union and the US face a number of challenges, from climate change to reform of the global trading system and the need to tackle a number of security threats, as well as the spread of disinformation and foreign interference in electoral and democratic processes. The rise of China as a global power and the fight against terrorism will remain challenges for both the US and the EU. Both transatlantic partners will have to deal with Russia's malicious attempts to undermine our security, our democracies, our societies and our neighbourhood. The assertive and more often than not aggressive behaviour of Turkey, a NATO ally, will have to be addressed by EU partners and the US alike. The EU and Europe as a whole will have to shoulder a bigger responsibility for its own security than before and the Union will continue to have a strong interest in supporting security in its neighbourhood and in protecting the rule-based multilateral world order.

## Delivering security

The transatlantic alliance remains fundamental for the security of the European continent. For the majority of EU member states, NATO is and will remain the foundation of their collective defence. The EU still depends heavily on the United States for any major military deployment outside the Union, which can be a



challenge when the assessment of threats and the level of priorities may diverge between both sides of the Atlantic.

However, the US is likely to be more selectively involved in global affairs, including in the crises surrounding Europe. The EU already faces the consequences of the partial withdrawal of American troops from Northern Syria, which makes the decisive fight against ISIS more difficult. At the same time, we should expect that the resources that Washington will have available would likely be constrained given the growing US focus on the Asia-Pacific. The US demands for Europeans to do more to ensure their and their region's security are likely to grow even stronger, and rightly so. We welcome in this perspective the increased share of EU Member States to the NATO contribution and call for this effort to be pursued.

All this means Europe should do more; more to credibly defend its citizens and more to develop its strategic autonomy in crisis response. This will imply the development of a more common assessment of the threats Europe is facing and advancing towards a common strategic culture. EU member states will also need to pull their efforts to develop the full-spectrum force packages and the strategic enablers necessary to project EUs capabilities beyond its borders.

The US has looked sometimes with suspicion at the establishment of EU defence cooperation, notably because it viewed some as protectionist measures excluding third countries from collaborative EU defence projects. However, if we are expected to take a larger share of the burden for our security, it is only reasonable that we would seek to do so through capabilities that we produce and develop. This way, we would also avoid progressively losing the industrial and technological base and capacity to provide for our security.

A stronger EU defence industrial base and stronger military capabilities would not only strengthen the Union but would also simultaneously reinforce the transatlantic alliance. Thus, we believe the EU should urgently develop its defence cooperation, by investing in military mobility and interoperability and thus strengthen the European component of NATO. At the same time, we are determined to support and continue to encourage the development of EU-NATO cooperation in order to better address the threat posed by Russia in our continent, by the rise of China and by challenges emanating from the Middle East, North Africa and the Sahel. In this regard, it is of great importance for all the allies to continue to invest financially in developing, acquiring and maintaining the capabilities that NATO needs to defend its citizens. Better managing the disagreements between the NATO allies is another challenge the EU and the US need to tackle together. This will not be done to weaken the transatlantic alliance but to strengthen it and EU decision makers and diplomats must forcefully make this case in Washington DC.

We call on the United States to work with its European allies and partners and with the Russian Federation to reinstate the Intermediate-Range Nuclear Forces Treaty, a key treaty for European security, to return to the Treaty on Open Skies and to work for the extension of the New START Treaty. The US and the EU should also reinforce their cooperation to strengthen the global respect of the Chemical Weapons Convention and compliance with its provisions.

## Cooperation on horizontal issues

Among horizontal issues where the EU-US cooperation is crucial are the following: protection of human rights and fundamental freedoms, including a global application of the US and European Magnitsky Acts, prevention of nuclear proliferation, climate change, development assistance, conflict prevention, eradication of diseases, fight against organised crime, corruption and drugs, fight against disinformation and foreign malign interference. On the latter, the public-private partnership with the US IT sector, whose products are broadly used by the EU consumers, is crucial and needs to be facilitated by the US government.

## Regional cooperation

EU-US relations should include a coordinated approach towards China and Russia, support for democratic reforms in the Eastern Partnership countries and the Western Balkans, stabilisation of MENA countries and the Middle East region, and cooperation on space policy, among other.

## China

The EU and the US will have to continue to deal with the increasing challenges posed by a more assertive China, which can lead to serious security and economic threats, while fully defending democratic values and principles. The EU views China as a "negotiation partner, an economic competitor, and a systemic rival", while the growing rivalry between the US and China has been further sharpened by the COVID-19 pandemic.

However, cooperation on this topic will present challenges in itself. While the European Union has become increasingly aware of China's growing power, military activities and global and regional influence, there are differences between how China is perceived among Member States of the EU. While developing a stronger and a more coherent strategy towards China, we will continue to seek to coordinate with the United States our policies regarding the majority of the challenges raised by China's increasing global assertiveness, as a way to promote an alternative model to great power competition which undermines a multilateral approach to present and future global challenges. We will also seek cooperation in holding China accountable for ongoing human rights violations, notably the case of the Uyghurs, suppression of the sovereignty of Hong Kong, and will support Taiwan's meaningful participation in multilateral fora.

## Russia

We should also better coordinate our actions with regard to Russia, including through strengthening our own society's resilience, countering Russian propaganda, disinformation and (electoral) societal interference, sharing our financial intelligence and information sharing and through new approaches to arms control and strategic stability.

Continuous cooperation is also needed in supporting democratic reforms, increasing economic and social prosperity and stability in the EU's Eastern Partner-



ship countries where Russia continues to hinder progress, prevents from solving and even attempts to create new frozen conflicts.

We should also share best practises and strengthen transatlantic cooperation on sanctions, like Magnitsky-type legislation.

### **Cooperating in the extended neighbourhood**

We will seek a stronger EU role in advancing peace and security in EU's neighbourhood and we will seek US cooperation in this regard. The EU and the US must work together, not compete, in the efforts to stabilise, democratise and increase the resilience of EU's neighbours, from the Western Balkans, the Arctic, to Eastern Europe and the MENA region and into the extended neighbourhood.

### **Space**

Strategic EU-US cooperation on space issues should be continued with a focus on space research and exploration for the benefit of addressing the climate change and other challenges. Moreover, a joint effort is needed for the protection and further development of space technology.

### **Multilateral cooperation**

In a global context of increasing geopolitical tensions and reduced US involvement in multilateral cooperation, continuous EU support for the UN and the wider multilateral system will be key. While the level of US interest, involvement and support for multilateral institutions and processes remains to be determined, the EU should try to engage the United States and work with it when possible. We will make the case in Washington that the rules-based international order and the respect to international law are essential projects from which both the EU and the US benefit in many concrete ways.

In this regard, US commitment to the Paris Agreement, the UN Human Rights Council, the WHO and the cessation of threats to multilateral institutions such as the ICC are key elements for a future cooperation from a human rights and multilateral approach, in coherence with EU's fundamental values.

We stand ready to participate in a reform of multilateral institutions in order to make them more effective. But it cannot be achieved through weakening existing institutions at a moment when they are strongly needed. A strong US-EU partnership will also depend on the willingness of the US administration to play a full part in the implementation of the Paris agreement and to actively engage in efforts to reach carbon neutrality.

### **Climate**

We welcome the positive signals sent by President Biden on climate. We believe there is an opportunity to build a green transatlantic agenda. Joe Biden's platform resonates with our Green New Deal: its willingness to integrate climate action in trade agreements, its commitment to work on a Carbon Border Adjustment Mechanism, and to aim at reaching climate neutrality for instance. For

one year already, the European Union has been leading the way. With the new American administration being on the same page, there is a unique opportunity to be seized. This would also give a diplomatic dimension to the European Green Deal as, in numerous different fields, Europeans and Americans can develop a common and positive agenda: sustainable finance, nature preservation, the transformation of our economies towards climate neutrality, and a greener trade. Together, we represent a critical mass of 800 million people, corresponding to 10% of the world population, so we have the capacity to set the global trend.

We welcome the recent appointment of a Special Presidential Envoy for Climate within the US administration. However, as pointed out by John Kerry, while the Paris Agreement represents an essential framework for multilateral cooperation, it is not enough. Nationally Determined Contributions are not enough to reach the agreed temperature objectives. In order to achieve climate neutrality by 2050, we need to be more ambitious. We have an important responsibility and a major opportunity ahead to increase global commitments towards more robust goals and concrete actions, helping to ensure the universal right to a safe, clean, healthy and sustainable environment. In this sense, the 26th session of the Conference of the Parties to the UNFCCC will be the litmus test for US-EU leadership on climate diplomacy.

## Digital

Europe must strengthen its digital sovereignty and become a global leader in digital transition. We should set digital standards with a clear focus on data, technology, and infrastructure in line with our European values and promote these internationally, including through the transatlantic dialogue.

In particular, the EU and the US should join forces to ensure that the digital regulatory environment relies on the same rules that apply on the offline world. They should continue their dialogue and cooperation to adopt common approaches to antitrust enforcement, which will also imply taking into better account the role of data and data protection. They also need to continue and further enhance their dialogue to face the challenges of digital society such as countering the use of the internet for terrorist, repression and social control purposes, and address the responsibilities of online platforms, in relation to content moderation and tackling disinformation, with an eventual upgrade in the liability and safety rules.

In the light of the common challenges both the EU and the US are facing with regard to the digital transition, the EU should aim to build upon its framework on 5G technologies to push for worldwide secure 5G infrastructure.

The context of the post-crisis recovery makes European and international progress on digital taxation even more urgent. While we regret that the OECD did not reach agreement on digital taxation in 2020 we still support the talks and the hope for an agreement.

# Trade

## Vision

The European Union and the United States have the most integrated economic relationship in the world. It is also the largest and deepest bilateral trade and investment relationship. The Covid-19 crisis has not reduced but reinforced the need for closer cooperation. The bilateral trade in goods and services accounts for over 1 trillion euros per year.

In a time of growing need for international cooperation the EU should, together with the US, stand up for free trade as a way of promoting not only economic growth, but also freedom and sustainability.

A strong relationship is beneficial for consumers, workers, businesses and investors on both sides of the Atlantic Ocean.

A strong relationship is of great strategic value as trade and security interests become more interwoven, in particular with the emergence of new technologies and the strategic challenges posed by China and other actors.

A lot of potential in our economic relationship remains untapped. It should become our strategic goal to get most out of our bilateral relationship, creating new economic opportunities and stimulating innovation on both sides of the Atlantic Ocean.

We need to move away from reactive policies towards a constructive and positive agenda that focuses on long-term interests as equal partners. We call on incoming President Biden to engage with the EU on a constructive and positive way forward and join our ambitions to solve our problems and strengthen our bilateral relationship.

The EU-US trade cooperation must be based on our common values and objectives, such as the fight against climate change, the implementation of the Paris Agreement as well as the promotion of human rights, democracy and the rule of law. It is necessary that the EU and the US cooperate to overcome the health and socio-economic crisis together.

The EU and the US should take the lead in promoting multilateralism and the rules-based trading system. The EU and the US should take initiatives to create a global level-playing field, in particular focussing on resolving China's unfair trade practices. Enhanced transatlantic cooperation and knowledge-sharing is as well necessary to detect and combat especially systematic human rights abuses.

It is important that the two sides refrain from protectionism, and always prefer negotiations or other solutions to additional tariffs or non-tariff trade barriers, as this can be highly detrimental to our bilateral trade.

We need a structured dialogue and cooperation framework with a long-term view that goes beyond different administrations.

In order to build a fruitful cooperation as equal partners, the EU needs to step up its efforts to reach an open strategic autonomy and to develop its trade defence toolbox.

### **Proposals for short-term de-escalation**

In the short term, Renew insists on the necessity to de-escalate trade tensions from the past years. This includes finding a negotiated solution to the Airbus-Boeing dispute and reaching an agreement on civil aircraft subsidies as well as the removal of (additional) tariffs on EU agri-food sector and the steel and aluminium sectors. With regard to Airbus-Boeing and in order to reach a negotiated solution, which preserves both sides' interests, it is preferable that the EU and the US simultaneously remove additional tariffs including for agri-food products, which have been among the products most hit, despite not being involved in any way in the initial conflict related to subsidies to air-carrier manufacturers.

In addition, we regret the Section 232 and 301 investigations, and urge regarding the former the US not to consider EU companies a threat to US national security. There should be a continued dialogue and coordination on Digital Services Taxation (e.g. in OECD context) and the EU should not refrain from paving the way for this.

On sanctions, the EU and the US should coordinate in order to improve effectiveness and find solutions to end the extraterritorial impact of unilateral sanctions on EU companies. Renew Europe insists on the necessity for the EU to step-up its instruments such as the Blocking Statute and INSTEX in order to counter US extraterritorial laws and to protect and enable EU companies to do legitimate business. In such cases as the US sanctions against companies engaged into the building of the Nord Stream 2 gas pipeline, Renew Europe expresses regret over the EU's inability to find its own solution.

The most recent tariffs on aluminium, imposed by the US on eighteen countries in the world in October 2020, following an anti-dumping investigation, are in this context not the way forward and need to be closely followed. Renew Europe welcomes and supports the Commission's strong response in the Commissioner's letter to the Secretary of Commerce.

Short-term challenges should not hamper initiatives for a positive EU-US trade agenda. On the contrary, a positive EU-US trade agenda could help improve cooperation and provide a clear framework for dialogue. In the end, the strategic goal should be a bilateral relationship that is mutually beneficial and creates economic opportunities on both sides.

### **Proposals for a positive EU-US trade agenda**

Renew Europe believes that the EU and the US would benefit most from starting talks towards a broader cooperation instead of a list of separate mini deals and consequently should explore the opportunity of reopening an ambitious dialogue and relaunching talks towards a comprehensive partnership agreement, given the economic and geopolitical importance of such a partnership, while

duly taking into account the difficulties and obstacles encountered while negotiating the TTIP.

However, in the meantime, and following Biden's election and his commitment to re-join the Paris Agreement and to adopt a constructive approach to multilateralism and the EU, Renew Europe welcomes the agreement of the so-called 'mini-deal' reducing the tariffs of certain US and EU products, announced in August 2020. This is the first deal for a tariff reduction between the EU and the US in more than two decades and should be the starting point for a new positive trade agenda between the EU and the US based on our values, objectives, standards, including production standards.

In this context, Renew Europe also calls for the pursuit of talks on the elimination and/or reduction of tariffs on industrial goods in order to improve bilateral trade in industrial goods with the US, in line with the negotiation mandate adopted by the Council on the 15th of April 2019, which excludes agricultural products.

The EU and the US should furthermore continue bilateral talks on trade and technology, and take the lead in developing international standards for emerging technologies, including but not limited to artificial intelligence (AI), cyber-security and digital technologies. We want to see the establishment of a transatlantic working group on AI to develop new standards and ethical guidelines for AI, building on concepts that are already being developed in the EU. This working group should consist of public and private actors.

Renew Europe emphasises that the implementation of the Paris Agreement must be an essential element in our trade agreements. The possibility to enhance cooperation on the Circular Economy and other building blocks of the European Green Deal should be explored.

To Renew Europe a reform of the WTO is pertinent and urgent, not least in the new reality facing us due to the COVID-19 crisis. The EU and the US should cooperate on reforming the WTO and work towards a global level-playing field. In this sense, Renew Europe welcomes the trilateral talks between the EU, US and Japan on industrial subsidies, and encourages their continuation.

In this context it is key that the EU and the US work together on challenges, such as WTO dispute settlement (paralysis of WTO Appellate Body), the developing country status, as well as systematic and unfair trade practices by China (forced technology transfers, unfair competition by state-owned enterprises, unfair subsidies, intellectual property theft, obliged Joint Ventures, lack of access to China's market including its procurement market). We would also welcome cooperation in the field of the screening of foreign investments and exchange information.

Renew Europe welcomes the ongoing negotiations on enhanced regulatory cooperation on conformity assessments. Particularly for small and medium-sized enterprises (SMEs), it can be very costly to demonstrate compliance with all legal requirements (such as product safety) in both EU and US markets. Mutual recognition of conformity assessments would significantly reduce administrative and financial costs for companies and make it easier for European SMEs to export to the US.

When it comes to digital trade, the EU and the US should also cooperate in order to improve digitisation of our societies and the competitiveness of our businesses. We need to cooperate on cross-border data flows, in line with EU legislation such as the GDPR. Data flows between the two regions is higher than between any other regions and the vast majority of digital content is produced here. Renew Europe believes that digital trade should have its own chapter in a possible future trade deal with the US. The EU and the US should also continue work on a strong WTO e-commerce agreement.

The COVID-19 crisis demonstrates our dependence on American tech companies, especially as regards tele-work and staying connected with social contacts. This has clear benefits, but also highlights the issue again that US based companies are subject to US law and might be obliged to transfer personal data of EU citizens to US authorities. Renew Europe stresses the need for the EU to strengthen its position with regard to industrial data flows while also guaranteeing protection of personal data.

Furthermore, the EU and the US should enhance mutual access to service markets, as well as work together on public procurement and improve access to public procurement markets.



# Civil Liberties, Justice and Home Affairs

Our friend and ally the United States (US) has always had a strong influence on external and internal policies in the field of civil liberties, justice and home affairs. With the increasing EU position on the world stage, Renew Europe considers it is high time that the transatlantic relationship between the US and the EU be recalibrated and turned into a relationship between equals, based on mutual respect and full reciprocity. Relying on and using its market power of 450 million consumers is essential for the EU to achieve parity in this field.

It is clear that law enforcement and security cooperation between the two transatlantic powers is key to keep our citizens safe. However, the cooperation is lopsided. Since the early 2000s, there has been a considerable pressure from the US government on EU Member States to adapt its security policies to the former's standards in the global fight against serious crime and terrorism. However, this has often not been transparent or in line with EU legal standards and fundamental rights. The revealed mass surveillance practices by US intelligence services deeply undermined trust between the two transatlantic partners, trust between citizens and governments, and trust in the respect for the rule of law. EU legal standards, fundamental rights and data protection standards have largely been ignored.

The European Commission has consistently tried to negotiate arrangements with the US that would secure law enforcement cooperation, the free flow of data as well as full compliance with EU law and fundamental rights. However, too often the Commission gave precedence to international relations over representing the rights and interests of EU citizens, and predictably the outcome of such negotiations failed time and time again in the European Court of Justice. Renew Europe wants the Commission to be a proactive and equal partner of the US, thereby putting EU citizens' interests and rights as the first priority.

This would entail the following actions as regards specific policy areas:

## Data protection

Any permission (adequacy decision) of the Commission to allow for transfers of personal data by companies to any third country must be in full compliance with EU law and CJEU case law. Both previous Safe Harbour Programme and Privacy Shield, which the Commission insisted offered sufficient protection to EU data subjects despite experts opinions to the contrary and repeated calls from Parliament to suspend them, were invalidated by the ECJ because of insufficient protection for EU citizens against US mass surveillance.

Renew Europe calls on the Commission to start talks with the US government as soon as possible, and only issue an adequacy decision for commercial data

transfers between the EU and US if the latter offers genuine data protection that is essentially equivalent to EU standards, as established by the Court. Renew calls on the Commission to plea for an all-encompassing, federal data protection legal framework and equal protection against US mass surveillance to that enjoyed by US citizens, which would significantly contribute to this level of protection.<sup>1</sup>

In the field of data protection for EU citizens' data used by US law enforcement actors, the 2016 EU-US Umbrella Agreement offers new and useful safeguards and rights to EU citizens whose data have been processed, which as international agreement supersedes EU secondary law. However, significant gaps remain, such as the carve out for the PNR and TFTP schemes, the condition that the safeguards will only apply for "designated" countries that agree to share commercial data with the EU, the fact it only applies to EU citizens, the de facto inexistent right to information and the right of access.

Renew Europe calls on the Commission to publish the results of the first joint review as soon as possible, and bring it in line with the standards set by the Court in Opinion 1/15 and the judgment that led to the invalidation of the Privacy Shield. Any newly negotiated agreement between the EU and US must contain significant additional safeguards than those provided by the Umbrella Agreement, such as the currently negotiated EU-US agreement on access to electronic evidence, as recommended by data protection authorities.

We cannot rely on (American) companies to verify the compatibility of US laws and act as the guarantor of EU fundamental rights. We need European sovereignty when it comes to the use of our personal data and the protection of our rights.

### Cooperation on law enforcement

The US is one of the EU's most important partners in the fight against serious crime and terrorism. There are numerous bilateral agreements between the US and Member States and between the US and the EU on law enforcement cooperation. However, currently security cooperation relations are de facto not fully equal or reciprocal.

Renew Europe calls on Member States not to start bilateral talks or negotiations with the US Government on an executive agreement under the CLOUD act, and let the Commission negotiate on behalf of the entire EU on an EU-US agreement on access to electronic evidence, fully in line with the Charter of Fundamental Rights.

Renew Europe calls on the Commission to immediately bring the EU-US PNR Agreement fully in line with standards set by the ECJ in the EU-Canada PNR Agreement in its Opinion 1/15.

Renew Europe calls on Europol to realise full reciprocity regarding physical presence of liaison officers at Europol premises and at US security agencies.<sup>2</sup>

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<sup>1</sup> US citizens have equal access to safeguards as regards data protection in the EU as EU citizens.

<sup>2</sup> Currently 35 US liaison officers are working at Europol premises, whereas only 2 Europol liaison officers are deployed to the US, at the EU delegation in Washington DC. <https://www.europol.europa.eu/about-europol/statistics-data>

Renew Europe also urges the Member States to ban so-called 'golden passports', and calls on the Commission to use all means at its disposal to end this practice.

### Cooperation on anti-racism

Recent transatlantic exchanges between US and European political actors and experts suggest a need for a US-EU joint action plan against racism, a plan that would include dedicated funding and support for civil society, as well as exchanges of best practices, especially with regards to good policing. Our Europe is remarkably diverse and we now must focus on making the best of the idea of an inclusive society. For that, we also must start cooperating on a global level, including a transatlantic dimension.

### Strengthening LGBTIQ rights

The LGBTIQ Equality Strategy that was published by the European Commission in November 2020 advocates strengthening the EU's engagement on LGBTIQ issues in all its external relations. An important step in this field will be strong cooperation between the EU and US. The sharing of best practices between the transatlantic partners can boost efforts to combat violence, hatred and discrimination and ensure that LGBTIQ rights are upheld. This cooperation can take place through regular meetings of the LGBTI Intergroup of the European Parliament and the US Congressional LGBTQ Caucus.

### Taxation

Together with Eritrea, the US is the only country in the world that applies citizenship-based taxation. Since the enactment of the US FATCA law and its implementing bilateral intergovernmental agreements with EU Member States, thousands of so-called Accidental Americans, EU citizens who by accident of birth, inherited US citizenship, but who maintain no ties to the US, having never lived, worked or studied in the US and who do not hold US social security numbers, are seriously affected on a daily basis. As this law requires EU financial institutions to force these EU citizens to supply a US social security number for tax reasons, which they do not have, they are denied access to all banking services, including freezing of bank and savings accounts, credit cards, life insurances, pensions and mortgages. Although this practice is clearly not in line with the right to privacy and the principle of non-discrimination, as laid down in the Charter of Fundamental Rights of the European Union and in the European Convention on Human Rights, the Commission has so far not stood up for these EU citizens.

Renew Europe calls on the Member States and Commission to take all action as called by Parliament in its resolution on the adverse effects of the US Foreign Tax Compliance Act (FATCA) on EU citizens and in particular 'accidental Americans' (2018/2646(RSP)).

## People to people contacts and visa reciprocity

The transatlantic bond should also be reflected in close relations among the US and European societies. It is a high time to bridge existing gaps by launching a transatlantic exchange program for students and scholars from the EU Member States and the US.

Whereas all US citizens can travel visa-free to all EU Member States, EU citizens from Romania, Bulgaria, Croatia and Cyprus still need a visa for travel to the US. The visa reciprocity mechanism requires Member States to notify cases when non-EU countries, whose citizens can travel visa free to the EU, require visas for EU nationals, to the Commission. In April 2016, the Commission was already obliged to adopt a delegated act, temporarily suspending the exemption from the visa requirement for US citizens, but it did not do this, despite repeated calls from Parliament. Renew Europe calls on the Commission to stand up for EU citizens from Romania, Bulgaria, Croatia and Cyprus, stick to its legal obligation and adopt the delegated act in order to put pressure on the US government to allow citizens from these countries travel without a visa.

## Conclusions

The EU-US relationship has been fraught with tensions on a multitude of issues and on a number of fronts, and the relationship is at historic lows. President Trump's policies and erratic diplomacy have also entrenched sides on historically difficult topics across the Atlantic. Nevertheless, the United States is a natural and long-standing ally and partner of Europe. The transatlantic bond remains central for the security of us all. A more prosperous, integrated, secure, and powerful Europe also is and should be in the interest of the United States. Differences aside, the health and prosperity of the international rules-based system is predicated on the ability of the EU and the US to continue to grow their partnership, solve their differences, and continue to uphold, on the global stage, the values and principles they share and on which they are founded on. With alternative systems of governance based on different values and with a different perspective on fundamental rights gaining increased influence and challenging the international order, this is of paramount importance.

Renew Europe thus calls on the Commission to elaborate a strategic plan for consolidating the transatlantic partnership in key areas such as digital, trade, and taxation, and for coordinating, with full reciprocity and based on mutual respect, a joint EU-US approach to maintaining, consolidating, and protecting the international order and our shared values on the international stage.

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