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Transcript: Counterterrorism First Priority on U.S.-EU Summit Agenda

(Background briefing by senior U.S. officials on May 2 U.S.-EU meeting)
(3160)

Counterterrorism will be the "first issue of priority" at the May 2 U.S.-EU summit in Washington, a senior administration official told journalists during a background briefing at the White House May 1.

The principal European participants will be President Jose Aznar of Spain, representing the current presidency of the European Union, and Romano Prodi, who president of the European Commission.

Other issues to be discussed, according to the official, include political and security issues in the Middle East, the Balkans and Afghanistan; trade; and cooperation on helping developing countries.

"We expect that we will discuss the decision on the Foreign Sales Corporation [tax program]; we will certainly be discussing steel, and we will also be discussing a number of areas of cooperation going forward in the next year or two," the official said.

Asked about Europe's reaction to President Bush's March 5 decision to impose a mix of temporary tariffs and quotas on steel imports to give the U.S. steel industry time to restructure, the official replied: "I wouldn't expect to have a final resolution announced tomorrow, but I think that there will be a greater understanding of how we should proceed in a way that supports the rules-based system of the WTO [World Trade Organization]."

The U.S. position on the steel issue is that President Bush's decision was "totally consistent with the WTO, and the procedures we followed were consistent with the WTO."

"We recognize that Europe and some other trading partners view it differently," the official acknowledged. "The appropriate response for them -- and we have told them and we will reiterate -- is to take it to the normal dispute settlement panel in the WTO. And then you get a ruling, and then the party that -- if they took the action and it's confirmed, you continue with the action. And if not, you have to either conform your action to the WTO ruling, or then the other country at that time has rights to make changes in their trade regime."

The senior administration official also responded to questions regarding the farm bill currently being considered by the U.S. Congress, trade issues on the summit agenda, and counterterrorism cooperation.

Especially since the September 11 attacks on New York and Washington, the United States and Europe have cooperated in law enforcement and in cutting off the flow of financing for terrorism, the official pointed out, noting that this cooperation "has been very intense and has been continuing right up to the last-minute preparations for the meeting tomorrow."

Following is the White House transcript of the briefing:

(begin transcript)

THE WHITE HOUSE
Office of the Press Secretary
May 1, 2002

BACKGROUND BRIEFING BY SENIOR ADMINISTRATION OFFICIALS ON
UPCOMING EU
MEETING

The James S. Brady Briefing Room

3:10 P.M. EDT

SENIOR ADMINISTRATION OFFICIAL: I'm going to give a very, very quick overview, and then we'll take your questions. This will be President Bush's second official summit meeting with the European Union. The first was last June in Sweden. The principal European participants will be President Aznar of Spain, which holds the presidency of the European Union, and President Prodi, who is President of the European Commission.

The agenda of the meeting is broad, reflecting the fact that there is a broad cooperation between the United States and the European Union. The first issue of priority for both sides will be counterterrorism.

In the area of counterterrorism we've had a very, very active collaboration since September 11 of last year on issues like law enforcement cooperation, cooperation in cutting off the flow of financial support to terrorist organizations and terrorist individuals, and cooperation on transport security.

A second major topic of discussion tomorrow is going to be our cooperation on regional political and security issues. The three main examples are Afghanistan, cooperation on the Middle East, and cooperation in the Balkans.

Trade is obviously a very important issue for both sides. There's a very deep relationship here, with a \$1.9 trillion two-way trade and investment relationship. There's also a number of current trade issues that we'll be happy to brief you on.

And finally, in the area of development and development cooperation, the values that each of us have, as well as our economic interests and our political responsibilities around the world, have pushed both of us to be very actively involved in development cooperation. When the President was in Monterrey, he announced a large increase in our development effort. The European Union has also made some increased commitments in the areas of development. And together we're going to try to make sure that this can be a year when we really make some significant progress in organizing the international effort to alleviate global poverty.

With these ideas, with these issues on the table as the basic substance of the meeting, we'll be happy to take your questions.

Q: What trade issues will you be talking about specifically?

SENIOR ADMINISTRATION OFFICIAL: Well, first of all, I just want to remind people that in addition to the very impressive trade and investment numbers that my colleague cited, the U.S. and the EU have, and recognize that we have, major responsibility for keeping the world trading system moving forward and operating properly. And so there will be a discussion about the state of the world trading system, where we stand in the Doha round of negotiations, and other important issues that are being taken up in the WTO, such as Russian accession, the role of developing countries.

In addition, we will be addressing important bilateral issues, and we'll be addressing them in the context of how to manage them in a way that supports the rules-based trading system. So it's no surprise to you that we expect that we will discuss the decision on the Foreign Sales Corporation; we will certainly be discussing steel, and we will also be discussing a number of areas of cooperation going forward in the next year or two.

Q: How will the issue of counterterrorism be woven into the fabric of this meeting? And can you be kind of specific on that?

SENIOR ADMINISTRATION OFFICIAL: Well, again, this is certainly the number one priority for the United States in almost every meeting, in every relationship we move into. In the case of the European Union, the Commissioner for External Affairs, as well as the Coordinator for Security Issues, Chris Patton and Javier Solana, respectively, came to the United States very soon after the September 11th attacks on the United States. And it was clear from the very beginning that they were coming to really sit down and begin to work out with us a common response to these attacks.

And there's been a great deal of progress in several areas since then. I mention the areas of law enforcement where we've been working very, very hard to make sure that there's very close cooperation between our authorities and theirs. And you will notice that there have been a number of arrests in Europe over the last several months, and that's in large part a result of that cooperation among law enforcement officials.

Secondly, in the area of cutting off the flow of financing for terrorism, Secretary O'Neill was recently traveling in Europe, and that was one of his main issues for discussion there. Late last year -- well, first of all, the European Union and the European Union states moved very quickly after the U.N. Security Council established a resolution to set out a global framework for cutting off this flow of financing to terrorism. And they have frozen the assets of a number of organizations and individuals in Europe.

In December of last year, they came forward with their own list of additional terrorist organizations and terrorist individuals that they were prepared to designate and freeze the assets of. And after a very brief period of investigation by us, we followed suit.

So this cooperation in law enforcement, as well as financing in counterterrorism, has been very intense and has been continuing right up to the last-minute preparations for the meeting tomorrow. It's a central part of our cooperation with Europe.

Q: Give a sense, if you would, of the logistics of this? Is the President going to meeting with President Aznar and Prodi in a three-way meeting? Is it going to be a large thing with a bunch of their aides? Is he going to attempt to come to some resolution of the steel dispute and proposed European Union sanctions? And is tomorrow's meeting separate from the Camp David visit that President Aznar will make on Friday?

SENIOR ADMINISTRATION OFFICIAL: The structure of the summit will be as follows: There will be a 15-minute restricted meeting at the beginning. Aznar and Prodi will be there for the European Union. The President will be there, and they will each have one aide. That will be followed by an hour plenary session, a considerably larger group. That is to be followed by an approximate one-hour working lunch, which is a working lunch -- it's got an agenda, so that the talks continue with set topics.

The visit of President Aznar is separate, so when they go up to Camp David, that will be a bilateral meeting. And there will be, as has been the habit in the President's meetings out of Washington, there will be an informal portion and what he's done at Camp David sometimes before, starting with Blair last year, was one formal session. And that will be the case this time, as well.

Q: A communique expected and --

SENIOR ADMINISTRATION OFFICIAL: No.

Q: -- any concrete achievements anticipated tomorrow?

SENIOR ADMINISTRATION OFFICIAL: Well, there will be no -- we spared ourselves the agony of trying to negotiate in advance what was going to happen. And we've talked about some of the specific issues, and we'll see where we are.

Q: On the regional security issues, to what extent do you expect them to address current conditions in the Mideast, and U.S. efforts to get a cease-fire and to impose the conditions leading to a settlement?

SENIOR ADMINISTRATION OFFICIAL: Well, I expect it will come up, but, of course, remember that the U.S.-EU summit will be followed closely by what's known as the quartet, which is the U.S., EU, U.N. and Russia, which met in Spain three weeks ago -- in Madrid three weeks ago. It's going to be meeting again.

That was a very successful meeting in terms of pulling us together, both us and the EU, but the international community generally. And so the talks will feed into that next event.

Q: Can you tell us to what extent the President will brief his EU partners on progress toward codification of the nuclear agreements reached between Putin and Bush? And maybe you can take advantage of this opportunity to tell us where that stands.

SENIOR ADMINISTRATION OFFICIAL: Maybe I could, but I actually -- (laughter) -- but I actually won't. Those issues won't come up -- that is, the strategic elements of our relations with Russia isn't part of the agenda now, though I wouldn't be surprised if these sorts of issues come up, especially with President Aznar. They're going to talk -- that's a bilateral meeting; they'll talk about a whole range of issues. But that's not on the agenda for this time.

Q: And would you just tell us, in that context, whether the nuclear threat initiative that Sam Nunn has -- do you have any assessment of that? Has that been at all helpful to you here?

SENIOR ADMINISTRATION OFFICIAL: If we're going to do -- we're going to give you great background briefings on U.S.-Russia as we run into the President's trip, but not now.

Q: There's been a lot of talk that the Europeans are cracking down on the flow of money to the terrorists. There's also been reports that periodically surface in the press saying that they really have been pretty lackluster and it's been a half-hearted job. Will the U.S. go into this meeting saying, you need to do more, and will they specifically point to specific European countries and say, this country needs to do more, this country needs to do more?

SENIOR ADMINISTRATION OFFICIAL: First of all, they have done a lot. And I think if your yardstick is the amount of money that's been frozen, there's more money frozen in European banks by European authorities than there is in the United States, which reflects the fact that there was more there to begin with, but it's clear that they have acted. And they have followed up on the U.N. resolutions that have called for a cracking down on organizations and individuals that are known supporters of terrorism.

Secondly, they have taken the initiative to identify some terrorist organizations and terrorist individuals that they think should be subject to these same sorts of controls, have applied those controls on them, and as I mentioned, we have followed suit on any of the ones that they named that weren't already on our list.

I think as this process goes forward, we are continuing to work with them on what we both see as a global terrorist threat. And that means reaching out to a broader range of organizations and individuals that are involved in terrorism. In Europe they tend to work this through a clearinghouse process, and that means that they work together, and sometimes it can take a little bit of time. But we have been very pleased with both the seriousness of their attitude, as well as with

the results that have been achieved.

I think we each recognize that we're just at the beginning of what has to be an ongoing process. Because this is about disrupting on an ongoing, perpetual basis, flows of funds to organizations that mean to do them or us harm. And so it is not the sort of exercise that we ever will say is over.

Q: To what extent should we expect some kind of progress toward resolution of the steel issue and the sanctions?

SENIOR ADMINISTRATION OFFICIAL: Well, obviously, there will be a very thorough discussion of that. And I wouldn't expect to have a final resolution announced tomorrow, but I think that there will be a greater understanding of how we should proceed in a way that supports the rules-based system of the WTO. Certainly that will be the emphasis on the part of the United States.

Q: You said final resolution --

SENIOR ADMINISTRATION OFFICIAL: I said I didn't expect there would be.

Q: I understand, but do you expect some resolution to be reached?

SENIOR ADMINISTRATION OFFICIAL: I expect this to be part of the ongoing discussion of this issue. And I think that the advantage of having it discussed at the summit level is that it reinforces the objective of resolving this in a way that is consistent with our joint leadership of the trading system. And so it focuses us all on the larger context of where steel fits in the broader trade relationship.

Q: I'm sure the Europeans will probably bring up the likelihood that Congress will pass a farm bill that, in fact, runs counter to policy adopted two or three or four years ago, and that ran counter to everything that the U.S. has been telling and lecturing its trading partners about. What are you prepared to tell the Europeans about the administration's position on that farm bill?

SENIOR ADMINISTRATION OFFICIAL: Well, we certainly -- the Europeans can judge for themselves the contents of the farm bill. What we will continue to emphasize is that we remain committed to negotiating market access and reform of agricultural trade in the WTO. It is not something that we're going to do unilaterally, but we're very clear on what our objectives are in the WTO.

Q: Let me follow up on Alex's question about the crackdown on

financial flows to terrorist groups. I'm told that the United States is going to the table with a specific request for Europe to do more to crack down on Hamas and Hezbollah funds. Can you confirm that those are the two main groups set to be targeted, and do you expect any progress?

SENIOR ADMINISTRATION OFFICIAL: We will see -- they haven't made any announcements in Europe yet, and so we will see in the near future just where they stand in their ongoing effort. What I am confident of is that they are moving forward to designate additional groups and additional individuals, and that they see this as a global exercise. And that means that we have encouraged them to look beyond Western Europe, beyond the EU member states, themselves, at groups. And I think they are doing so, and we may see that reflected. But whether any specific groups are on any upcoming EU list, I think we have to wait for them to announce.

Q: What will you be telling them about the administration's position on FSC, and a timetable for resolving that?

SENIOR ADMINISTRATION OFFICIAL: Well, consistent with our approach to the rules-based system, we will certainly indicate that we will abide by our obligations under the WTO. I assume that there will be a discussion of the system in the United States where Congress is responsible for any changes in law. And there will be, undoubtedly, an exchange of what the prospects are for that and what the administration's view is on that. So we'll be sharing that with them.

Q: What's your view on that?

SENIOR ADMINISTRATION OFFICIAL: Our view is that we will abide by our obligations in the WTO --

Q: What is the administration's position in terms of reforming FSC?

SENIOR ADMINISTRATION OFFICIAL: In terms of timetable? That is something that has to be discussed with the Congress, obviously, and that is what we will be telling the European Union.

Q: On the issue of steel and farm bill, your answer will simply be to take your grievances to the WTO. Don't use sanctions --

SENIOR ADMINISTRATION OFFICIAL: Well, our view is, on steel, that the decision that the President made was totally consistent with the WTO, and the procedures we followed were consistent with the WTO. We recognize that Europe and some other trading partners view it

differently. The appropriate response for them -- and we have told them and we will reiterate -- is to take it to the normal dispute settlement panel in the WTO. And then you get a ruling, and then the party that -- if they took the action and it's confirmed, you continue with the action. And if not, you have to either conform your action to the WTO ruling, or then the other country at that time has rights to make changes in their trade regime.

THE PRESS: Thank you.

END 3:26 P.M. EDT